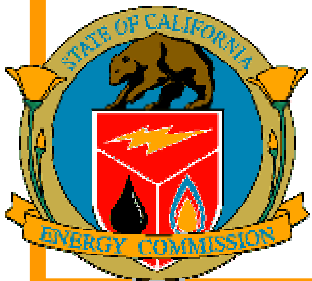


California Energy Action Plan

Energy Action Plan Update: CEC DG Activities and Coordination

Mark Rawson
California Energy Commission
March 2, 2004



California Energy Action Plan

Topics for Today's Discussion

- DG Policy Integration/Coordination
- CEC Activity Status
 - CRS Exemptions
 - Interconnection
 - Renewable DG Incentives
 - DG R&D

California Energy Action Plan

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California Energy Action Plan

DG Part of the “Energy Action Plan”



CONSUMER POWER AND
CONSERVATION
FINANCING AUTHORITY



CALIFORNIA
ENERGY COMMISSION



PUBLIC UTILITIES
COMMISSION

Action Item 5: Promote Customer and Utility-owned Distributed Generation

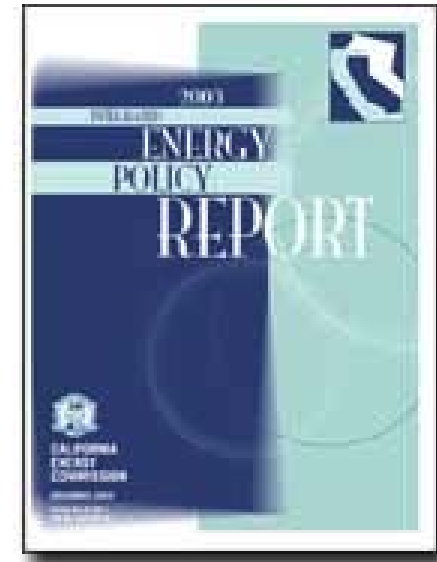
The agencies will work together to further develop distributed generation policies, target research and development, track the market adoption of distributed generation technologies, identify cumulative energy system impacts and examine issues associated with new technologies and their use.



California Energy Action Plan

DG Part of CEC's Integrated Energy Policy Report

- SB 1389 requires CEC to prepare biennial integrated energy policy report
- Directs state entities to carry out energy-related duties and responsibilities using Report's information and analyses
- Applies similar "loading" order strategy advocated in Energy Action Plan
 - 1) Ramp up Efficiency and Conservation Programs
 - 2) Accelerate RPS Goals
 - 3) Improve Infrastructure Planning and Permitting
 - 4) Encourage Customer Alternatives



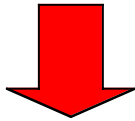
Pub# 100-03-019F

Commission adopted in Nov. 2003

California Energy Action Plan

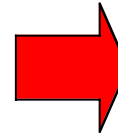
Key Emphasis of Plans - Coordinate DG Activities Across State Agencies

California Public
Utilities
Commission



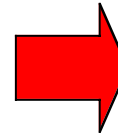
- ✓ Operational Impacts
- ✓ Ownership/control
- Cost/Benefit
- ✓ Net Metering
- Consumer Education
- Rate Design
- ✓ Distribution Wheeling
- ✓ Stranded Costs
- Sale of Excess Capacity
- Distribution Planning

California Energy
Commission



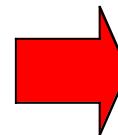
- ✓ DG Strategic Plan
- ✓ Interconnection Rules
- ✓ Permit Streamlining
- ✓ CRS Exemption
- ✓ R&D Efforts
- ✓ Renewables Incentives

California
Power Authority



- DG Project Financing

California
Air Resources
Board



- ✓ Emission Standards

California Energy Action Plan

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California Energy Action Plan

Departing Load Fees Have Been Addressed

- Since CPUC CRS Exemption was adopted in April 2003, CEC has attained several important milestones
 - 10/22/03 – Adopted Regulations for Exemptions
 - 1/30/04 – Regulations Became Effective
 - 2/26/04 – Approve Utility CRS Application Forms
 - 3/1/04 – Utilities Began Accepting Applications
- Utilities ready to administer tariffs – pending CPUC approval of advice letter filings

California Energy Action Plan

DG Interconnection Applications Under Rule 21

- Approximately 560 megawatts in DG proposed since Rule 21 adopted in December 2000
- 376 new megawatts approved and/or operational

	Applications Pending		Applications Approved	
		MW		MW
PG&E	98	73.7	89	102.2
SCE	78	90.7	115	205.1
SDG&E	11	18.4	45	69.1
Total	187	182.8	249	376.4

Data as of 12/31/03 and excludes net metering projects

California Energy Action Plan

Emerging Renewables Program Incentives Status

Scope

- Incentive apply to PVs, small wind turbines, renewable fuel cells, and solar thermal electric
- \$255 million allocated to program through 2006

Status

- \$226.7 million in renewable DG incentives requested
- 7,800 systems (30.5 MW) installed to date
- \$46 million still available
- # of applications received doubled in 2003 (compared to 2002)



California Energy Action Plan

DG Significant Portion of PIER R&D Portfolio

108 projects are DG related and total \$94.4M out of over \$370M in total PIER-funded R&D.

- All six PIER program areas have projects that are DG related
 - Environmentally Preferred Advanced Generation (EPAG)
 - Renewables
 - Energy Systems Integration (ESI)
 - Environmental
 - Buildings
 - Industrial, Agriculture and Water (IAW)
- Research projects address broad spectrum of DG issues

California Energy Action Plan

71% of portfolio focused on reducing environmental impact and developing lower cost power

